

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2153
ANSWERED ON:14.03.2008
ELECTRONIC MEDIUM IN BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to encourage the use of electronic medium for the withdrawal of cash from the bank in the country;
- (b) if so, the details thereof;
- (c) the details of the Automated Teller Machines, bank-wise, location-wise;
- (d) whether the Government proposes to set up more A.T.Ms centres and to implement Truncated Cheque System; and
- (e) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Reserve Bank of India has been encouraging the use of electronic payment channels for money transfers and the use of ATM for cash withdrawal. In order to facilitate the wider use of ATM, an Approach Paper was placed on RBI website seeking public comments. The paper proposed the use of any bank ATM, without payment of service charge, by customers, irrespective of the customers bank.. In order to encourage the use of electronic payment channels for money transfers, the approach paper proposes that with effect from 1st April 2008, all payment transactions for Rs. 1 crore and above between RBI regulated entities i.e. banks, primary dealers and NBFCs as well as in RBI regulated markets may be mandated to be undertaken through electronic mode only. This move will not only reduce risk by moving large paper-based value retail payments to safer electronic mode, but will also bring greater efficiency and customer convenience to the payment systems.

(c): The details regarding State wise ATM deployment by public sector banks is given at Annex.

(d) & (e): The ATM deployment by banks is decided by individual banks. The cheque truncation system being implemented by RBI, has become operational from February 01, 2008, with 10 pilot banks. After the full implementation of the project at New Delhi, it is proposed to implement the system for inter-city cheque collection in the country.